

DE 01-168

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Petition for Approval of Refinancing of Series A, B and C
Pollution Control Bonds, Including an Increase in the Short
Term Debt Limit, Issuance of First Mortgage Bonds and
Utilization of Derivative Instruments

Prehearing Conference Order

O R D E R N O. 23,793

October 4, 2001

APPEARANCES: Catherine E. Shively, Esq. for Public Service Company of New Hampshire; Office of Consumer Advocate by Kenneth E. Traum on behalf of residential ratepayers; and Edward N. Damon, Esq. and Donald M. Kreis, Esq. for the Staff of the New Hampshire Public Utilities Commission.

I. PROCEDURAL HISTORY

On August 31, 2001, Public Service Company of New Hampshire (PSNH) filed with the New Hampshire Public Utilities Commission (Commission) a petition seeking the Commission's approval of the refinancing of PSNH's Series A, B and C pollution control bonds, including an increase in its short term debt limit, the issuance of first mortgage bonds and the utilization of derivative instruments. An Order of Notice dated September 7, 2001 was issued, requiring, among other things, PSNH to publish a copy of the Order of Notice in a statewide newspaper.

By letter dated September 10, 2001, Michael W. Holmes, Esq., Consumer Advocate, notified the Commission that

the Office of Consumer Advocate (OCA) will be participating in this docket on behalf of residential ratepayers consistent with RSA 363:28.

As provided in the Order of Notice, a Prehearing Conference was held on September 27, 2001, commencing at 10 a.m. at the offices of the Commission. The Clerk confirmed that newspaper publication was made in accordance with the Order of Notice.

The parties held a technical session immediately following the prehearing conference.

II. PRELIMINARY POSITIONS OF THE PARTIES AND STAFF

A. Public Service Company of New Hampshire

PSNH reviewed the requests made in the petition. PSNH noted it has had experience with interest rate derivatives in connection with the North Atlantic Energy Corporation debt and has done financings similar to the "Dutch Auction" procedures proposed for the refinancing of the Series A and C bonds. PSNH explained that the estimate of customer savings from the refinancing, \$1.7 million, is an estimate of the annual customer savings commencing in 2002.

B. Office of Consumer Advocate

OCA expressed preliminary support for the petition but does have some questions about the transactions for which

approval is being requested.

C. Staff

Commission Staff said that it was actively reviewing and investigating the petition. Issues which have been identified for further investigation include the customer savings to be achieved through the refinancing and the risks associated with the transactions.

III. PROCEDURAL SCHEDULE

The following procedural schedule was established in the Order of Notice:

Filing of PSNH Testimony	09/14/01
Prehearing Conference	09/27/01
Data Requests by Staff and Intervenors	10/05/01
Company Data Responses	10/12/01
Testimony by Staff and Intervenors	10/19/01
Hearing	10/24/01
Commission Order	11/01/01
Motions for rehearing, if any	12/03/01
Commission Decision on Motions for Rehearing, if any	12/06/01

Based upon the foregoing, it is hereby

ORDERED, the procedural schedule established in the Order of Notice shall remain in effect unless otherwise

ordered in the future.

By order of the Public Utilities Commission of New
Hampshire this fourth day of October, 2001.

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Thomas B. Getz
Executive Director and Secretary